

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of the

THE COMMONWEALTH OF PUERTO RICO,
et., al.

Debtors.

Case No. 17-bk-3283-LTS
Chapter PROMESA Title III
Judge Laura Taylor Swain

**INTERNAL REVENUE SERVICE'S LIMITED OBJECTION TO CONFIRMATION
AND RESERVATION OF RIGHTS**

The United States of America, on behalf of the Internal Revenue Service, hereby files this reservation of rights and limited objection to confirmation of the Commonwealth of Puerto Rico's plan of adjustment. Undersigned counsel informally raised various objections to the plan with counsel for the FOMB. Virtually all those objections have been resolved through the language found in Section 92.2(e) of the proposed confirmation order. (Dkt. No. 18447). The FOMB has not agreed, however, to provide interest on any post-petition tax claims of the IRS. Such claims are entitled to interest under existing circuit court precedent. *In re Weinstein*, 272 F.3d 39, 48 (1st Cir. 2001) ("We conclude that a proper reading of § 503(b)(1)(B)(i) includes interest on postpetition taxes incurred by a bankruptcy estate.").

Accordingly, the Court should not confirm the Commonwealth's plan of adjustment unless it expressly provides that administrative tax claims are to be paid with interest and that any such interest will be paid as an administrative expense. Additionally, the Internal Revenue

Service reserves its right to object to entry of an order confirming the plan to the extent it does not include the agreed language referenced above.

Dated: October 19, 2021

Respectfully submitted,

DAVID A. HUBBERT
Acting Assistant Attorney General

/s/ Ward W. Benson
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CERTIFICATE OF SERVICE

I hereby certify that on October 19, 2021, I filed the foregoing OBJECTION with the clerk of the court using the CM/ECF system, which will send notification of such filing to all parties appearing in said system.

/s/ Ward W. Benson
WARD W. BENSON

I